

Business worries get airing

For-profit mental health provider sounds off about having to pay so much insurance

A new legislative initiative hopes to make Maine a more hospitable place to do business.

BY CAROL COULTAS
Business Writer

AUBURN — Linda Hertell is in the “peace of mind” business, but Wednesday morning it was all about “piece of mind.”

The founder of Richardson Hollow Associates, Hertell has seen the for-profit mental health provider grow from a start-up in 1998 to an \$8 million company today that employs 225 people.

It's growth that often came in spite of, rather than because of,

government intervention.

“I pay \$1 million a year for insurances for an \$8 million company,” she told a crowd of business owners and politicians gathered for a breakfast meeting at the Munroe Inn. Several people nodded in empathy.

Hertell was there to tell legislators about the frustrations she experiences as a small business owner, and to check out a new proposal being touted by a group of House Democrats called the Small Business Working Group.

The group, working under the direction of state Reps. John Richardson and Stan Moody, has been meeting since February working on a “Bill of Rights” for small business and an action plan to implement those rights. A coalition of representatives is making a swing

ON THE WEB

To see the drafts of the entire Small Business Bill of Rights and the Action Plan

■ www.mainehousedems.org/business.

through seven communities gathering input and feedback on both drafts. They expect to submit legislation based on the action plan in January.

Hertell and other local business people gave them plenty to think about.

In addition to the astronomical insurance costs she pays, she said the conflicting regulations she gets from state authorities are maddening. She cited an example in which she

fired an employee who roughly grabbed a client by the shoulders. The dismissal was required by the Department of Human Services, but the Department of Labor ruled it an improper firing. Hertell had to hire a lawyer and go through three layers of hearings before the matter was resolved — but not before she incurred considerable expense.

“Things don't make sense,” she said.

Elaine Hemenway, owner of Payroll Management, said escalating workers compensation costs are making it harder and harder for her company to stay competitive with much larger payroll firms, whose deeper pockets can absorb rising operating costs better than hers.

“It's ridiculous,” she said. “Why do we pay so much more

than other states?”

Robert Murch, owner of Combined Management, an employee leasing firm, said he hears the same concerns over and over again from the 100 or so companies he regularly does business with. Workers comp and health insurance costs lead the list, but there's also a sense that government imposes obstacles rather than remove them for Maine businesses.

“The state puts up roadblocks,” he said, noting he's had interest from scores of companies in forming their own alliance to get health insurance, but it's not allowed.

Other people spoke to the need for more seed capital, tax reform and innovative thinking.

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“For companies that are well managed, the Maine economy is good,” said Murch. “But we have to give them incentive to grow.”

The draft bill of rights calls for the creation of an environment that supports and encourages small business. The action plan is divided into three broad categories: scaling back the regulatory process; mobilizing state resources; and creating an environment to foster small business growth. Within each category is a half-dozen or more specific steps to reach the goals.

“My goal is to lay this before people (in January),” said Richardson. “The choice is ours. We can have more of the same, or we can change the way we do business.”

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